

COMMONWEALTH OF VIRGINIA



FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

STATE PLAN OF OPERATIONS FEDERAL FISCAL YEAR 2005

PART I

SUMMARY OF VIRGINIA'S FOOD STAMP EMPLOYMENT AND TRAINING (E&T) PROGRAM

A. Abstract of the State E&T Program

The Virginia Food Stamp Employment and Training (FSET) program is an important part of the Commonwealth's coordinated workforce development system. State legislation requires each local Workforce Investment Board to enter into a memorandum of understanding (MOU) with the departments of social services operating an FSET program. The social services and workforce development systems in the Commonwealth are dedicated to providing high quality workforce services to all Food Stamp participants. The Virginia Social Services System Strategic Plan sets forth the increase in employment income of employable clients – including FSET participants – as one of the key objectives for the Virginia social services system. The services outlined in this state plan support this important objective. The state plan can be found on the Virginia Department of Social Services (VDSS) web site at: http://www.dss.state.va.us/geninfo/strategic_plan/index.cgi.

Virginia's FSET program will encourage all work registrants to obtain and retain employment and will provide the following services statewide to able-bodied adults without dependents (ABAWDs) and in select local jurisdictions to other mandatory and voluntary participants: job search, basic employment skills training, workfare, vocational training and education.

Beginning in the second half of FFY05 (target date April 1), contracted FSET service provider partners will conduct employability assessments and ensure that all at-risk FSET participants are given the opportunity to participate in qualifying FSET components. The source of much of the 50 percent match will be certified public expenditures from these partners.

Virginia will supplement the existing FSET service infrastructure at local departments of social services (LDSS) through a series of agreements at the state and local levels. The Virginia Department of Social Services (VDSS) will competitively procure the services of one or more workforce development service providers to offer FSET services to at-risk ABAWDs in any locality not currently operating an FSET program. VDSS also intends to secure the services of one or more on-line learning organizations that can provide basic skills, English as a second language (ESL), GED and vocational training to FSET participants.

1. Program Changes

Changes planned this fiscal year are as follows:

- a. Virginia will institute new policies establishing:
 - (i) ABAWD priority (see page Table 1, footnote),
 - (ii) Streamlined client flow,
 - (iii) ADA-compliant screening and assessment,
 - (iv) Web-based education with live mentoring
 - (v) Three additional components:
 - (1) Basic Employment Skills Training I
 - (2) Basic Employment Skills Training II
 - (3) Workfare,
 - (vi) Semi-automated and expanded statistical and demographic reporting, and
 - (vii) A series of pilot programs with service providers
- b. In response to the FNS ruling prohibiting the use of 100% grant funds to purchase transportation services (FNS Administrative Notice 28-2004), Virginia is committing \$100,000 in state general funds from the VDSS budget for expenditure on FSET transportation services. These funds will be used as match for additional federal funds to be used for this purpose.
- c. In the second half of FFY05, FSET services will be expanded statewide. At-risk ABAWDs will be offered an opportunity to participate in a qualifying activity in one of three ways. In the 27 jurisdictions where a local department of social services (LDSS) already operates an FSET program, ABAWDs will receive services through the local departments' workforce services provider. In the balance of the Commonwealth – except in those jurisdictions exempt from the work requirement (Appendix I) – a qualifying component will be offered to ABAWDs through a third party provider chosen through a competitive process. The provider(s) will be required to take referrals from LDSS, provide a qualifying activity, and report the progress of each ABAWD served to the appropriate LDSS.

2. ABAWD Population

- a. Virginia's increasing ABAWD population
 Approximately 49% of Virginia's 470,000 Food Stamp recipients reside in localities currently operating an FSET program. In local fiscal year 2004, approximately 8,500 ABAWDs were referred to FSET in the 24 local departments of social services operating the

program.¹ It is estimated that the number of ABAWDs referred to the 24 operating FSET programs in 2005 will increase to 9,100.

Virginia estimates its total statewide ABAWD population to be 19,200.

b. Characteristics of the ABAWD population

The Commonwealth's experience serving the ABAWD population has offered important insight into the need for individualized service planning and increased access to mental health, substance abuse, and basic skills education services. The current ABAWD population faces severe barriers to employment including chronic substance abuse, mental illness, learning disabilities, illiteracy, and an absence of basic workplace skills. The specialized nature and cost of these services have created the impetus for a new approach to serving ABAWDs, aggressively using third-party service providers.

In 2004, Virginia FSET programs spent over \$2.2 million and placed 981 individuals into full-time employment – an average of approximately \$2,245 per full-time placement. This level of per-participant expenditure is not unreasonable – the average TANF counterpart to the FSET participant receives approximately \$2,500 in services per year.

c. ABAWDs in high surplus labor markets

Currently, Virginia has a waiver to exempt ABAWDs who live in the 22 localities with a scarcity of available jobs or a 10% or higher unemployment rate from the time-limited benefits tied to the work requirement. An estimated 17 percent of the statewide ABAWD population resides in these exempt communities. While the benefits for these individuals are not time-limited, they may be required to participate in FSET. Virginia is utilizing its 15% ABAWD exemption allowance by extending the certification periods of ABAWDs to 6 months.

3. Additional Allocation for "Pledge" States

Virginia intends to become a pledge state in federal fiscal year 2006.

¹ Some local departments of social services serve more than one jurisdiction. Virginia operates a full FSET program in 24 total local departments of social services covering 27 jurisdictions.

4. Program Components

The Virginia FSET Program will offer the following components:

- Job Search
- Workfare
- Education
- Vocational Training
- Basic Employment Skills Training I & II (including remedial (pre-GED) education and barrier reduction for individuals who are determined to be able to work and for whom a substance abuse professional has recommended limited treatment).

5. Sequencing of Components

Assignment of participants to components is based on individualized assessment and the development of a Plan of Participation. The Plan outlines the specific sequence of component activities to which the participant is assigned. Initial assignments may be any one or a combination of components.

The ultimate goal for all FSET participants is to gain employment and become self-sufficient. To reach this goal, it is necessary to accurately identify and overcome the myriad barriers that may be present. Virginia is committed to addressing these barriers so that FSET participants can obtain and maintain employment. FSET participants will be screened and assessed for the presence of learning disabilities and other barriers to employment. As a result of screening and assessment, various program services may be offered, including work-based education and training and job placement and retention services. The services offered will vary based on individual situations and needs.

The number of hours and choice of program components for individual participants will vary according to the employment needs of the individual as well as the services available through their local department of social services.

6. Other Employment Programs

Virginia's FSET program is a formal part of the state's workforce development system. The local departments of social services will inform individuals of the full breadth of services provided by the one stop system.

7. Workforce Development System

Virginia's FSET program is part of the Commonwealth's workforce development system. Each local workforce investment board (WIB) is mandated by state law to enter into a MOU with the local departments of social services in their area that operate an FSET program. Additionally, a number of local departments of social services are comprehensive or satellite one-stop centers. The partners in the workforce system will continue to be called upon through financial and non-financial relationships to provide services to FSET participants. These relationships will vary by community.

8. Outcome Data

In local fiscal year 2004, 1,219 FSET participants entered full-time employment and 379 participants entered part-time employment from the following components:

| Component | | Full Time | Part Time |
|---------------------|--|-----------|-----------|
| | | | |
| Job Search | | 981 | 314 |
| Job Search Training | | 108 | 20 |
| Work Experience | | 51 | 14 |
| Education | | 45 | 15 |
| Vocational Training | | 34 | 16 |

Statistical data on the types of employment found and wage rates have not previously been captured. The Department of Social Services continues to work with the Virginia Employment Commission to capture this data in the future.

B. Component Summaries

The following component summaries describe the activities which will be offered statewide:

1. Job Search

Description of component

Job Search participants are required to contact employers either via face-to-face interviews or by submission of applications or resumes. In order to

count as an employer contact, the contact must be with an employer who ordinarily employs persons in areas of work for which the participant is reasonably qualified.

Type of component

Job search will be a work component when offered through the Commonwealth's workforce system operated under the title I of the Workforce Investment Act or Section 236 of the Trade Act. Job search will be a non-work component when offered outside of the aforementioned authorizing legislation.

Anticipated number of ABAWDs who will begin this component

It is estimated that 7,353 ABAWDs will enter Job Search.

Anticipated number of non-ABAWD participants, both mandatory and volunteer, who will begin this component

It is estimated that 2,100 non-ABAWDs will enter Job Search.

Level of participant effort

Participants will spend up to 30 days in Job Search. Unless labor market conditions make it impractical, participants will make no less than 24 and up to 36 employer contacts.

Targeted population

All FSET participants (particularly ABAWDs), based on employability assessment and labor market conditions.

Organizational responsibilities

Job Search will be operated by the FSET service provider(s) – LDSS or contracted service providers. Progress will be monitored by the FSET service provider and/or the LDSS case manager. In all cases, LDSS will be responsible for the imposition of sanctions for non-compliance.

Method for monitoring job contacts

Participants will be monitored by the component provider and will be required to submit a signed form listing job search contacts made. LDSS will assume responsibility for program compliance.

Per participant cost of reimbursement

It is estimated that 6,640 participants will receive a maximum of \$25 per participant per month in transportation assistance for up to 1 month (6,640 x \$25 x 1 month = \$166,000).[†] Because VDSS funds FSET child care through the Child Care Development Fund (CCDF), child care costs are not reflected in the FSET budget.

[†] Subject to Virginia General Assembly approval of funding for FSET transportation.

Total: \$166,000.00

Total cost of the component and cost per participant

An estimated \$1,583,950 will be expended on job search. The average cost per participant will be \$167.56.

2. Workfare

Description of component

In this component, participants gain work experience and new job skills through unpaid work in a public or private non-profit agency. The primary focus of work experience is to help the participant develop good work habits, additional job skills, positive work attitudes and an understanding of the employee-employer relationship. Participants may be offered Workfare opportunities if they are prepared to enter the workforce and completion of the Job Search component does not yield sufficient employment opportunities.

Type of component

Work component

Anticipated number of ABAWDS who will begin this component

It is estimated that 2,194 ABAWDS will enter Workfare.

Anticipated number of non-ABAWD participants, both mandatory and volunteer, who will begin this component

It is estimated that 971 non-ABAWDS will enter Workfare.

Targeted population

The Workfare component is designed to develop and reinforce good work habits and yield positive future job references. Assignment to this component will take into consideration the results of assessment, prior training, experience, skills and employment goal(s) of the participant. ABAWDs who wish to maintain their eligibility by meeting a work requirement may be targeted for this component.

Level of participant effort

The number of hours a participant is required to participate in any one month is determined by dividing the household's Food Stamp allotment by the federal minimum wage, minus hours of participation in other work components. No participant will work more than 30 hours per week or eight hours in a given day without their consent. The employer will determine the length of the placement.

Organizational responsibilities

FSET service provider(s) will assume responsibility for ensuring that workfare opportunity development, participant assignment and monitoring are carried out within the guidelines established by the state. In all cases, local agencies will be responsible for the imposition of sanctions for non-compliance.

Per participant cost of reimbursement

It is estimated that 3,165 participants will receive \$25 per person per month in transportation assistance for an average of 6.0 months ($3,165 \times 25 \times 6$ months = \$474,750).[†] Because VDSS funds FSET child care through the Child Care Development Fund (CCDF), child care costs are not reflected in the FSET budget.

Total: \$474,750.00

Total cost of the component and cost per participant

An estimated \$3,339,075 will be expended on workfare. The average per participant cost will be approximately \$1,055.

3. Education

Description of component

FSET participants will be referred to education based on individual need and assessment. Included are assessment, General Education Development (GED), alternative education, English as-a-Second Language and postsecondary programs. The cost of the GED tests and certificates may be paid for with FSET funds.

Web-based education courses may be used when appropriate. "Appropriate assignments" is defined as cases in which a participant has access to a computer with Internet capability and has no detected barriers that may inhibit successful completion of such courses.

Type of component

Work component

Type of education activities

Educational programs to which participants are assigned include, but are not limited to, ABE, GED, short-term Vocational Education, Community College Programs and Post-Secondary Education. When feasible and appropriate, Web-based education courses will be utilized. Participant progress for Web-based education will be monitored and attested to by the Web-based education service provider.

[†] Subject to Virginia General Assembly approval of funding for FSET transportation.

Anticipated number of ABAWDs who will begin this component

It is estimated that 2,948 ABAWDs will enter this component.

Anticipated number of non-ABAWD participants, both mandatory and volunteers, who will begin this component

It is estimated that 2,100 non-ABAWDs will enter this component.

Targeted population

FSET participants will be assigned to an educational component if educational deficits are a primary barrier to employment.

Level of participant effort

Participant effort will vary with the type of educational experience provided. Participation in education programs will be limited to the amount of time required to complete the curriculum scheduled in the Individual Plan of Participation. Component participants will spend a minimum of 20 hours per week in education unless combined with other components.

Organizational responsibilities

Participants will be referred to education based upon results of screening and assessment. FSET service providers will offer or sub-contract courses. Progress will be monitored by the FSET service provider and the local agency case manager. In all cases, local agencies will be responsible for the imposition of sanctions for non-compliance.

Link to employment

When it is determined that education is the primary barrier to employment, assignment to an educational component is appropriate. At the completion of this component, the participant may be assigned to individual job search to facilitate immediate job entry.

Per participant cost of reimbursement

It is estimated that 3,500 participants will receive \$25 per person per month in transportation assistance for an average of 6 months ($3,000 \times \$25 \times 6 \text{ months} = \$525,000$).[†] Because VDSS funds FSET child care through the Child Care Development Fund (CCDF), child care costs are not reflected in the FSET budget.

Total: \$525,000.00

Total cost of the component and cost per participant

An estimated \$7,592,200 will be expended on Education. The average cost per participant will be approximately \$1,504.

[†] Subject to Virginia General Assembly approval of funding for FSET transportation.

4. Vocational Training

Description of component

Vocational Training includes occupational assessment, customized training, institutional skills training, upgrade training, and vocational education. As available, some vocational education will be offered as in a web-based format.

Other components of training will be evaluated and may include training of work participants to provide child care for other participants.

Type of component

Work component

Anticipated number of ABAWDs who will begin this component

It is estimated that 328 ABAWDs will enter this component.

Anticipated number of non-ABAWD participants, both mandatory and volunteer, who will begin this component

It is estimated that 98 non-ABAWDs will enter this component.

Level of participant effort

Participation effort will vary with the type of training provided. Most training will be three to six months in duration. Component participants will spend a minimum of 20 hours per week in vocational training unless combined with other components.

Targeted population

FSET participants will be considered for vocational training if it appears that training is needed in order to improve the participant's employability.

Organizational responsibilities

The FSET service provider will refer a participant to vocational training. The vocational training provider may be a Community College, Workforce Investment Board/One Stop contractor, Rehabilitative Services agency, or a on-line learning provider. Progress will be monitored by the FSET service provider and the local agency case manager. In all cases, local agencies will be responsible for the imposition of sanctions for non-compliance.

Per participant cost of reimbursement

It is estimated that 293 participants will receive \$25 per person per month in transportation assistance for an average of 6 months (293 x \$25 x 6 months = \$43,950).[†] Because VDSS funds FSET child care through the Child Care

[†] Subject to Virginia General Assembly approval of funding for FSET transportation.

Development Fund (CCDF), child care costs are not reflected in the FSET budget.

Total: \$43,950.00

Cost of the component per placement, excluding reimbursement

The estimated average cost per placement, excluding reimbursement, is \$1,300.

Total cost of the component and cost per participant

An estimated that \$597,750 will be expended on vocational training. The average cost per participant will be \$1,403.17.

5. Basic Employment Skills Training (BEST) – Level I

Description of component

The Basic Employment Skills Training I component is designed to directly address more severe barriers to employability. Basic Employment Skills Training I will include some or all of the following: remedial (pre-GED level) education including literacy training and ABE, remedial job readiness training with emphasis on the importance of good citizenship, personal responsibility and an ethic of work, or referral (with progress-monitoring) to outside agencies equipped to effectively address ADA-recognized barriers to employment.

The goal of this component is to maximize the participant's potential for long-term employment, productivity and self-sufficiency. This component is preparatory for Basic Employment Skills Training II.

Type of component

Work component

Anticipated number of ABAWDs who will begin this component

It is estimated that 1,638 ABAWDs will enter this component.

Anticipated number of non-ABAWD participants, both mandatory and volunteer, who will begin this component

It is estimated that 810 non-ABAWDs will enter this component.

Level of participant effort

Participation effort will vary with assessed need and the type of training provided. Duration will average 6 months. The number of hours a participant is required to participate in any one month is determined by dividing the household's Food Stamp allotment by the federal minimum wage, minus hours of participation in other work components.

Targeted population

FSET participants will be placed in Basic Employment Skills Training I if it is determined that remedial education and/or training is needed in order to improve the participant's employability, or if a barrier to employment is discovered through initial screening and assessment.

Organizational responsibilities

The FSET service provider will provide Basic Employment Skills Training I. Progress will be monitored by the FSET service provider or the local agency case manager. In all cases, local agencies will be responsible for the imposition of sanctions for non-compliance.

Per participant cost of reimbursement

It is estimated that 2,448 participants will receive \$25 per person per month in transportation assistance for an average of 6 months ($2,448 \times \$25 \times 6 \text{ months} = \$367,200$).[†] Because VDSS funds FSET child care through the Child Care Development Fund (CCDF), child care costs are not reflected in the FSET budget.

Total: \$367,200.00

Total cost of the component and cost per participant

An estimated \$7,711,200 will be expended on Basic Employment Skills Training I. The average cost per participant will be approximately \$3,150.

6. Basic Employment Skills Training (BEST) – Level II

Description of component

Employment Skills Training II will include activities that may consist of job skill assessments, occupational exploration, training and counseling in personal preparation for employability, training and counseling in techniques for identifying and pursuing employment opportunities (including information on local emerging and demand occupations or job placement services). There will be intensive focus on education that specifically supports job retention and advancement: basic technical reading, basic mathematics, fundamental computer literacy, customer service skills, etc.

Type of Component

Work component

Anticipated number of ABAWDs who will begin this component

It is estimated that 2,900 ABAWDs will enter Basic Employment Skills Training II.

[†] Subject to Virginia General Assembly approval of funding for FSET transportation.

Anticipated number of non-ABAWD participants, both mandatory and volunteer, who will begin this component

It is estimated that 1,328 non-ABAWDs will enter Basic Employment Skills Training II.

Targeted population

Participants who do not have severe barriers to employment, but are not employment-ready will be assigned to this component.

Level of participant effort

The number of hours a participant is required to participate in any one month is determined by dividing the household's Food Stamp allotment by the federal minimum wage, minus hours of participation in other work components.

Organizational responsibilities

FSET service providers will offer Basic Employment Skills Training II. Progress will be monitored by the FSET service provider and/or the local agency case manager. In all cases, the local agency will assume the responsibility for the successful operation of the component and for imposition of sanctions for non-compliance.

Per participant cost of reimbursement

It is estimated that 4,160 participants will receive a maximum of \$25 per participant per month in transportation assistance ($4,160 \times \$25 \times 2 = \$208,000$).[†] Because VDSS funds FSET child care through the Child Care Development Fund (CCDF), child care costs are not reflected in the FSET budget.

Total: \$208,000

Total cost of the component and cost per participant

An estimated \$4,436,000 will be expended on Basic Employment Skills Training II. The average cost per participant will be approximately \$1,049.

7. Other Activities

In order to best meet recipient and local social service department needs and promote creative program design, localities will be given authority to establish additional activities to those already specified in this plan. Such programs shall be described in local employment plans and shall conform with the federal requirement that they be designed to move individuals to self-sufficiency. District plans specifying such alternative activities will be

[†] Subject to Virginia General Assembly approval of funding for FSET transportation.

available for USDA review. Virginia will report such activity information as required.

C. Geographic Coverage

All components of the Virginia FSET Program will operate statewide.

PART II PROGRAM PARTICIPATION AND EXEMPTIONS

A. Work Registrant Population

1. Number of Work Registrants

- a. Number of work registrants receiving Food Stamps expected to be in the state as of October 31, 2004

85,000

- b. Anticipated number of new work registrants to be added between November 1, 2004 and September 30, 2005

95,000

- c. Total number of work registrants in the state between October 1, 2004 and September 30, 2005

180,000

2. Unduplicated Work Registration Count

The estimated number of work registrants is based on an unduplicated work registrant count provided from data input into the Application Benefit Delivery Project (ADAPT) by the eligibility worker when the client's

mandatory status for FSET is determined. The FSET agencies also keep a manual count of registrants.

3. Characteristics of Work Registrants

Virginia continues to work toward making demographic available for Virginia's FSET population. FSET is not supported by the Department's ADAPT System; however, data will be able to be extracted from the system through the data warehouse initiative. The Virginia FSET program serves non-public assistance Food Stamp recipients. Local agencies determine the characteristics of the work registrants in their respective localities in order to develop their local plan of operation.

B. Exemption Policy

1. Exemption Criteria Justification

a. Categorical Exemptions – Geographic

Currently, Virginia has a waiver to exempt from the time-limit ABAWDs who live in localities served by the 22 local departments of social services in a Labor Surplus Area (LSA) or a 10% or higher unemployment rate. An estimated 17 percent of the statewide ABAWD population resides in these exempt communities. While the benefits for these individuals are not time-limited, they may be required to participate in FSET if program components are made available to them. Additionally, Virginia is utilizing its 15% ABAWD exemption allowance by extending the certification periods of ABAWDs to 6 months.

The 22 exempt local departments of social services are listed in Appendix I.

Additionally, service to non-ABAWDs will be limited to localities that have capacity beyond that necessary to provide priority service to ABAWDs.

b. Individual and Personal Exemptions

In addition to the exemptions specifically referenced in federal regulation, Virginia's FSET program aligns its program exemptions with those of the Commonwealth's IV-A work program. A full list of exemptions follows:

- I. A person younger than 16 years of age or a person 60 years of age or older;

- II. Any individual aged 16 or 17 who is not the head of a household or who is attending school, or is enrolled in an employment training program, on at least a half time basis.
- III. Any individual who is unable to participate because of a temporary medical condition that is preventing entry into employment or training, as determined by a physician and certified by a written medical statement;
- IV. Any individual who is incapacitated, as determined by receipt of Social Security Disability Benefits or Supplemental Security Income;
- V. A regular participant in a drug addiction or alcoholic treatment and rehabilitation program;
- VI. Any individual who is the sole caregiver of another member of the household who is below the age of 6 or is incapacitated as determined by receipt of Social Security Disability Benefits or Supplemental Security Income or another condition as determined by the Virginia State Board of Social Services and whose presence is essential for the care of the other member on a substantially continuous basis;
- VII. An individual who is in her fourth through ninth month of pregnancy as determined by a written medical statement provided by a physician or by a registered nurse who is the physician's designee or licensed nurse practitioner;
- VIII. Families where the primary caretakers of a child or children are legal guardians, grandparents, or other persons standing in loco parentis and are not the adoptive or biological parents of the child;
- IX. Individuals subject to and complying with participation in a work activity under Title IV of the Social Security Act;
- X. Individuals working at least 30 hours per week;
- XI. Individuals who have applied for or are receiving Unemployment Insurance (UI);
- XII. Individuals for whom dependent care or transportation is not available;
- XIII. A student enrolled at least half-time in any recognized school, training program, or institution of higher education; and
- XIV. Migrant and seasonal farm workers away from their home base and following the work stream.

Exempt participants are re-evaluated annually and at any time the FSET worker or service provider learns of changes in the participant's circumstances that led to the initial exemption.

- c. Number of Work Registrants Exempt from the E & T Program
See Table 1 for Estimated Participant Levels.
- d. Planned E & T Program Participation
See Table 2 for Estimated E & T Placement Levels
- e. ABAWD Information
See Table 1, Estimated Participant Levels and Table 2, Estimated E & T Placement Levels.

PART III PROGRAM COORDINATION

A. Program Coordination

1. Narrative Coordination Statement

The linkage between the Food Stamp eligibility functions and the FSET functions is as follows:

At every application, reapplication, and recertification for Food Stamps, the eligibility unit/worker will screen each person to determine if s/he is subject to the work registration provisions of federal regulations. Those who are found to be non-exempt will be referred to FSET. After the case is approved, a referral will be sent to the FSET worker or service provider.

Non-ABAWDs will be required to register for work at their local one-stop, unless there are significant transportation barriers to doing so. ABAWDs will be registered during the intake process and will be screened and assessed within 30 days of referral to FSET. At the placement interview, the FSET worker or service provider will determine whether the participant will be placed in a program component or will be individually exempted from FSET participation (post-referral exemption). Individuals that are determined to be

exempt may be referred to another Social Services agency. FSET staff will monitor personal exemption status.

The FSET worker or service provider will monitor the participant's compliance with the component requirements. Every attempt will be made to facilitate participants' compliance. If the participant does not comply, a Notice of Sanction will be sent to the participant. The Notice of Sanction will:

- Request the participant contact the FSET worker or service provider to explain why he/she did not carry out the specific program requirement.
- Explain to the participant what he/she needs to do in order to comply with the program requirement and the date by which he/she has to respond.
- Provide the phone number and name of the worker to contact.
- Explain the consequence of non-compliance.

The participant will have five working days from the date the Notice of Sanction is mailed to contact the FSET worker or service provider. The participant, during this time period, can respond by providing good cause for not complying with the requirement or the participant can actually comply with the component assignment.

Should the participant not respond to the Notice of Sanction within the time period, the FSET worker or service provider will notify eligibility to send the Notice of Adverse Action (NOAA). The Eligibility Worker will submit the NOAA in compliance with Food Stamp eligibility policy.

In order to comply with the component requirement, the participant will be required to perform a verifiable act of compliance. Verbal commitment will not be sufficient unless the participant is prevented from complying by circumstances beyond the participant's control.

(See Appendix II for client flow charts)

For those food stamp participants referred to services offered by the Virginia Employment Commission, mechanisms may be developed to track the activities of those referred.

2. Information Coordination

At both the state and local level, eligibility and FSET Program staff works together in a number of ways to attempt to improve coordination and information flow. Examples of these cooperative efforts include:

a. State level

- Joint meetings are held to develop policies and procedures and to resolve issues.
- Policies and procedures are exchanged while in draft form to allow comments and revisions.
- Forms are jointly designed.
- Training is jointly planned and staffs from both units deliver training.
- Information releases to locality staff are made jointly when possible.

b. Local level

- Joint meetings are held to familiarize staff with the policies of their counterparts, to resolve specific policy issues, and to facilitate coordination within the agency.
- Local staff participate in joint training.

3. Coordination Time Frames

The Eligibility Worker will notify the FSET worker or service provider of a participant's work registration within five days of approval of an application/reapplication or recertification for Food Stamp benefits.

The FSET worker or service provider will conduct screening for barriers to employability and assess employment and training needs within 30 calendar days of receipt of notification of the participant's referral to FSET.

When the FSET worker or service provider determines that non-compliance has occurred, a Notice of Sanction is sent to the registrant. The non-compliant individual has five working days to contact the FSET worker or service provider to provide good cause for not complying or to actually comply. If good cause is not shown, the FSET worker or service provider will notify the Eligibility Worker within two days of the end of the good cause

period. The Eligibility Worker will issue the Notice of Adverse Action within ten days of the receipt of the notification from the FSET worker or service provider of the individual's failure to comply without good cause.

The Eligibility Worker will notify the FSET worker or service provider when the Notice of Adverse Action has been sent. The individual may comply at anytime, including after the NOAA is sent. Compliance occurs when the individual performs a verifiable act of compliance. Verbal commitment will not be sufficient unless the participant is prevented from complying by circumstances beyond the participant's control. If the individual complies, the FSET worker or service provider will notify the Eligibility Worker within five working days of the date of compliance.

B. Interagency Coordination

Interagency coordination primarily occurs at the local level. All FSET service providers coordinate their operation with the employment services component of Virginia's Temporary Assistance to Needy Families (TANF) Program. In addition, local operations have linkages with workforce investment boards, one-stop centers, Rehabilitative Services and other agencies or programs as appropriate. The method of coordination is dependent on the needs of the participant and the services available in the locality, including, but not limited to interagency agreements, memorandums of understanding and contracts for provisions of services.

(See Table 3, Summary of Interagency Coordination)

C. Contractual Arrangements

The Virginia Department of Social Services will enter into one or more contractual partnerships with nonprofit employment service organizations or government entities statewide. The Department may enter into other interagency agreements to serve joint clients.

Local agencies may enter into contracts for all or part of the operation of FSET. All local agency contracts are available for review at the Department of Social Services. The Department of Social Services will maintain information on the following:

- Name and location of the contractor.
- Amount of the contract.
- The contract management approach that will be followed.

- The basis for charging for contractual services.
- Number of persons expected to be placed through the contract.
- Whether the contract was competitively awarded or sole source.
- Method of monitoring contract and results of monitoring.

PART IV PROGRAM COSTS AND FINANCIAL MANAGEMENT

A. Planned Costs of the State E & T Program

1. Operating Budget

(See Table 4, Operating Budget)

For FFY2005, a total state administration expenditure of \$10,481,676.00 is projected. In addition, an expenditure of \$1,784,900.00 is projected for participant transportation services.

Because VDSS funds FSET child care through the Child Care Development Fund (CCDF), child care costs are not reflected in the FSET budget. The participant reimbursement for dependent care is based on the total allocation available for the program year (state allocation for dependent care plus the corresponding federal match). Projections of dependent care costs for each component are estimated on the basis of the number of participants anticipated to use this service.

2. Sources of E & T Funds

(See Table 5, Planned Fiscal Year Costs By Category of Funding)

3. Justification of Education Costs

Virginia will not supplant state education costs from the state to the federal government. It is state FSET policy that program funds to support educational activities will only be used when such services cannot be

secured within the community at no cost. The costs attributable to the educational component are mainly those associated with FSET staff time involved in referring participants to educational programs in the community and tracking their progress in these programs.

B. Contracts

The Virginia Department of Social Services will enter into contractual partnerships with one or more nonprofit employment services providers. The service providers will be responsible for all component content, while the local departments of social services will provide local oversight and case management services. (See Part III. C., Contractual Agreements, for additional information)

C. Participant Reimbursement

In the Virginia FSET program, localities and their contractual partners are responsible for assessing the participant's need for child care, arranging for the provision of day care and reimbursement of the child care provider. The type of child care provided for participants will usually fall into one of the three following types: in-home child care, family day care or day care center. The in-home child care involves utilizing a provider who is responsible for the supervision and care of a child in the child's own home. The family child care involves the use of a person who is responsible for the supervision or care of children in the provider's home. A child care center is a facility operated for the purpose of providing care, protection and guidance to a group of children separated from their parents during a part of the day.

In Virginia's system, the localities pay the child care provider for services provided. The service worker will negotiate, in advance, with the provider and parents the type of service to be provided and the rate of payment. At this time we are unable to estimate the number of individuals who will be served at each location. This information is dependent on where in the locality future participants live and plan to work.

The referral process to the child care service provider operates as follows. The participant chooses a child care provider from an approved list made available by the service worker. If the participant chooses a provider who is not on the list, the service worker will help the provider to obtain state and/or local approval. The parents and provider then sign a Child Day Care Information and Agreement form which details the type of day care arrangement agreed upon. The service worker is responsible for tracking the children's participation in the day care center.

As with child day care, the local agency is responsible for verifying the need for other dependent care and for paying the dependent care provider. Unlike child day

care, the participant is responsible for all arrangements, though the agency can provide assistance if needed.

1. Method of Reimbursement

For transportation, service providers are paid directly or participants are provided with vouchers for transportation assistance. Participants are not required to incur out-of-pocket transportation expenses. For child care, reimbursement for actual expenses, up to the market rate, will be made to the service provider, not the participant.

2. Procedure for Reimbursement

The FSET program pays the child care provider for actual expenses incurred up to the market rate. Other non-child care providers of dependent care are reimbursed for actual expenses. Under the current system, the localities send a purchase of service order to the dependent care provider that specifies the name of the dependent, rate of pay and period of time for which the dependent care provider will be paid. The dependent care provider then submits an invoice at least monthly that specifies the amount of dependent care service provided. The locality then reviews the invoice to determine if it is accurate, meets the specifications of the purchase order and does not exceed the market rate.

For transportation, service providers are paid directly or participants are provided with vouchers for transportation assistance. Participants are not required to incur out-of-pocket transportation expenses. For child care, reimbursement for actual expenses, up to the market rate, will be made to the service provider, not the participant.

Expenditures for both transportation and child care are reported by the local agency to the Locality Automated System for Expenditure Reimbursement (LASER), an automated system that tracks local agency expenditures and provides reimbursements to the local agency.

D. Cost Allocation

At the local level, where an FSET worker or service provider carries responsibility for other programs, such as the TANF employment service program, the locality apportions the time spent on each program and charges administrative costs accordingly. Many localities have a dedicated FSET worker or service provider who is not administering other programs. Food Stamps, including FSET, are included in the state's cost allocation plan. The cost allocation plan is submitted to and approved by Health and Human Services, our federal cognizant agency.

PART V

PROGRAM REPORTING AND MANAGEMENT INFORMATION

A. Method for Obtaining Initial Count of Work Registrants

An initial count of work registrants will include work registrants on-board as of October 1 and those added through October 31 as required by federal regulations. An automated report showing the numbers of work registrants on-board as of October 1 is produced. An automated report is generated to count those added between October 1 and October 31 and each month thereafter.

B. Method for Ensuring an Unduplicated Work Registrant Count

In all agencies, the cases are “flagged” on October 1 so that even if those persons register again during the fiscal year, they will not be counted as new work registrants more than once. Notation is made in the case record at the time a person first becomes a new registrant for a program year. At the end of any subsequent registration, the person’s earlier status is noted and the person is then counted separately as an FSET re-entrant. These persons are not included in the counts relating to new work registrants or FSET participants.

C. Methods for Meeting On-Going Federal Reporting Requirements

1. Management Information System (MIS) Method

a. Type of MIS

Food Stamp application and eligibility data is maintained in ADAPT. FSET case data is not yet a part of the automated system but is maintained manually by each FSET agency through a locally developed reporting system.

Non-financial reporting requirements will be met by combining manual and automated data. Local financial reporting is automated through LASER.

b. Local reporting requirements

- (i) Local agencies are required to submit monthly non-financial reports to the state. Contractors will report to the local agency with which they contract.

- (ii) The information local agencies will be required to submit will include, but will not be limited to, the following:
 - (1) Non-financial reporting
 - (a) FSET participants newly registered.
 - (b) Work registrants by exemption category.
 - (c) FSET participants who volunteer for and commence participation in an approved component, broken out by type of component begun.
 - (d) FSET mandatory participants who actually commence a component.
 - (e) The number of persons sent a Notice of Adverse Action for failure to comply with FSET requirements.
 - (f) The number of ABAWDs entering a component will be distinguished from non-ABAWDs.
 - (2) Financial reporting
 - (a) Local agencies are required to maintain financial reports on total local expenditures and submit reimbursement requests for total expenditures by category.
 - (b) Participant reimbursement will be reported for each client with the federal/ state /local share of the costs identified. State office staff will monitor total FSET expenditures on a monthly basis.
 - (c) Cost information for ABAWDs and non-ABAWDs will be distinguished separately as appropriate.
 - (d) Each FSET agency must complete a monthly statistical report, which captures both the number of ABAWDs entering a component and the number of non-ABAWDs entering a component.

This report is due to the Department's Division of Finance by the 10th calendar day of each month. The Division of Finance compiles the information and uses it to complete the FNS-583. The Division of Finance also completes the FNS-269 report, utilizing expenditure data from LASER.

2. Organizational Responsibility for E & T Reporting

- a. Non-Financial FSET Reporting
Jewel Lee-Gaines, Statistician
Virginia Department of Social Services
Division of Finance
7 North 8th Street
Richmond, VA 23219-3301
(804) 726 - 7224
- b. Financial FSET reporting
David Mitchell, Controller
Virginia Department of Social Services
Division of Finance
7 North 8th Street
Richmond, VA 23219-3301
(804) 726 – 7204

TABLE 1

**ESTIMATED PARTICIPANT LEVELS
FISCAL YEAR 2005**

| | | |
|-----------|--|----------------|
| A. | Anticipated number of work registrants in Virginia during the fiscal year. | 180,000 |
| B. | List planned exemption categories and the number of work registrants expected to be included in each during the fiscal year. | |
| 1. | Individuals subject to and/or participating in a work requirement under Title IV of the Social Security Act. | 38,000 |
| 2. | Individuals working at least 30 hours per week. | 5,150 |
| 3. | Individuals who are temporarily disabled or in the 2 nd or 3 rd trimester of pregnancy. | 16,500 |
| 4. | Individuals who have applied for or are receiving UI. | 4,600 |
| 5. | Individuals for whom dependent care and transportation is not available. | 720 |
| 6. | Migrant and seasonal farm workers away from their home base and following the work stream. | 150 |
| 7. | Non-ABAWDS ² | 102,820 |

² As a result of the elimination of the Maintenance of Effort requirement via the 2002 Farm Bill, Virginia and most Virginia localities no longer fund FSET activities. Virginia Food Stamp workforce development programs are therefore experiencing comparatively severe funding shortfalls. For example, the average yearly expenditure on a TANF workforce program participant is approximately \$2,500. Currently, the average per-participant expenditure in FSET is approximately \$350, the bulk of which is spent on program administration. In order to maximize program performance under these funding conditions, Virginia will exercise its option under 7 CFR §273.7 (a) (ii) to limit the extent of FSET participation for non-ABAWDs and give service priority to ABAWD clients.

As a condition of eligibility, non-ABAWDs will be required to register for work with the Virginia Employment Commission and are encouraged to participate in the employment services provided by one stop employment centers.

Non-ABAWDs and volunteers may be served by local FSET programs if the local program has sufficient resource capacity. This usually means that the locality has expanded resources through local partnerships or local funding.

| | | |
|-------------------------|--|----------------|
| TOTAL EXEMPTIONS | | 167,940 |
| C. | Percent of all work registrants exempt from E&T | 93% |
| D. | Number of E&T mandatory participants | 28,920 |
| E. | Anticipated number of ABAWDs in Virginia during the fiscal year | 19,200 |
| F. | Anticipated number of ABAWDs residing in waived areas of Virginia during the fiscal year | 3,155 |
| G. | Anticipated number of <i>case-month exemptions</i> under the State's 15% exemption allowance during the fiscal year (NOTE: ABAWDS receive a maximum of 3 additional case-months under Virginia's 15% exemption policy. Therefore, this figure does not represent total exemptions from E&T and such not be counted as such) | 7,000 |
| H. | Number of at-risk ABAWDS expected in Virginia during the fiscal year ³ | 16,045 |

³ Statewide

TABLE 2

**ESTIMATED E&T PLACEMENTS
FISCAL YEAR 2005**

| | | |
|-----------|--|---------------|
| 1. | Unduplicated number of ABAWD applicants and recipients expected to begin a qualifying ABAWD component. | 9,100 |
| 2. | Unduplicated number of all other applicants and recipients (including ABAWDs involved in non-qualifying activities) expected to begin a component. | <u>6,300</u> |
| 3. | Total unduplicated number of applicant and recipients Virginia expects to begin a component during the fiscal year. | 15,400 |

**ESTIMATED INDIVIDUAL PARTICIPATION
FISCAL YEAR 2005**

| | |
|--|---------------|
| Number of individuals expected to participate in the E&T program during the fiscal year. | 15,400 |
|--|---------------|

**ESTIMATED ABAWD ACTIVITY
FISCAL YEAR 2005**

| | | |
|-----------|--|---------------|
| 1. | Number of workfare slots expected to be filled by ABAWDs. | 2,194 |
| 2. | Number of education and training slots expected to be filled by ABAWDs during the fiscal year. | <u>15,167</u> |
| 3. | TOTAL | 17,361 |

TABLE 3

SUMMARY OF INTERAGENCY COORDINATION FOR THE E&T PROGRAM IN FISCAL YEAR 2005

| Areas of Coordination | Agencies Involved | Number of E&T Placements Expected | Methods of Coordination |
|--|--|--|--------------------------------|
| 1. Delivers an E&T component: | FSET service provider(s) TBA | 18,000 | Contractual (MOA) |
| 2. The E&T program delivers a service for another agency or program: | N/A | | |
| 3. Joint component of the E&T program and another agency or program: | N/A | | |
| 4. Referral of individuals from the E&T program to another program or agency: | FSET service provider(s) TBA; VA Dept. of Social Services; Local Depts. Of Social Services; VA Dept. of Rehabilitative Services VA Employment Commission | 5,000 | Referral (MOU) |
| 5. Other forms of coordination | N/A | | |

TABLE 4**OPERATING BUDGET – FISCAL YEAR 2005**

| Components | State Agency Costs | | Contractual Costs | Participant Reimbursement (State plus Federal) | | State Agency Cost for Dependent Care Services | Total |
|--|----------------------------------|------------------------|------------------------------|---|---|--|------------------------|
| | Salary & Benefits | Other Costs | | Dependent Care | Transportation & Other Costs | | |
| Job Search | | | \$1,417,950.00 | \$12,500.00 | \$166,000.00 | | \$1,596,450.00 |
| Workfare | | 158,250* | 2,706,076.00 | \$12,500.00 | 474,750.00 | | 3,351,576.00 |
| Education | | | 7,067,200.00 | \$12,500.00 | 525,000.00 | | 7,604,700.00 |
| Vocational Training | | | 553,800.00 | \$12,500.00 | 43,950.00 | | 610,250.00 |
| Basic Employment Skills Training I | | | 7,344,000.00 | \$12,500.00 | 367,200.00 | | 7,723,700.00 |
| Basic Employment Skills Training II | | | 4,228,000.00 | \$12,500.00 | 208,000.00 | | 4,448,500.00 |
| | | | | | | | |
| Total Component Costs | | | | | | | \$25,335,176.00 |
| | | | | | | | |
| Total State E&T Costs | | | | | | | \$25,335,176.00 |

* Cost of Workers' Compensation Insurance (\$50 per participant)

D. TABLE 5**PLANNED FISCAL YEAR COSTS OF THE STATE E&T PROGRAM BY CATEGORY OF FUNDING****FISCAL YEAR 2005**

| Funding Category | Approved FY 2004 Budget | Fiscal Year 2005 |
|---|--------------------------------|-------------------------|
| 1. 100 Percent Federal E&T Grant | | \$2,511,924.00 |
| 2. Share of \$20 Million ABAWD Grant | | |
| 3. Additional E&T Administrative Expenditures | | \$20,963,352.00 |
| 50% Federal | | 10,481,676.00 |
| 50% State | | 10,481,676.00 |
| 4. Participant Expenses: | | |
| a. Transportation/Other | | 1,784,900.00 |
| 50% Federal | | 892,450.00 |
| 50% State | | 892,450.00 |
| b. Dependent Care | | 75,000.00 |
| 50% Federal | | 37,500.00 |
| 50% State | | 37,500.00 |
| 5. Total E&T Program Costs (1+2+3a+3b+4a+4b = 5) | | \$25,335,176.00 |
| 6. 100% State Agency Cost for Dependent Care Services | | ----- |
| 7. Total Planned Fiscal Year Costs (Must agree with Table 4—Operating Budget | | \$25,335,176.00 |

Appendix I: Currently Waived Localities

Appomattox
Buchanan
Carroll
Danville
Dickinson
Galax
Giles
Grayson
Halifax
Henry/Martinsville
Lancaster
Lunenburg
Mecklenburg
Northumberland
Patrick
Petersburg
Pittsylvania
Pulaski
Russell
Smyth
Williamsburg
Wythe

APPENDIX II: FSET Client Flow – Application to Participation

